

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 7113**

**BILL NUMBER: HB 1332**

**NOTE PREPARED: Jan 9, 2006**

**BILL AMENDED:**

**SUBJECT:** Alternative fuel production and use.

**FIRST AUTHOR:** Rep. Friend

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:**      **GENERAL**  
**DEDICATED**  
**FEDERAL**

**IMPACT:** Pending

**Summary of Legislation:** Provides for a deduction against property taxes for organic biomass conversion units and coal conversion systems. Provides that a taxpayer who owns a hybrid vehicle is entitled to an income tax deduction equal to the lesser of \$1,000 or \$85 per month for each month the taxpayer owns the hybrid vehicle. Increases the maximum amount of credits that may be granted for biodiesel production, biodiesel blending, and ethanol production. Extends the tax credit for the retail sale of blended biodiesel to 2010, and eliminates the cap on the maximum amount of credits that may be given. Grants a credit for installing or retrofitting a fuel station to dispense E85 base fuel. Reduces the gasoline tax on E85 base fuel to \$0.128 tax rate per gallon. Grants a credit against excise tax that otherwise would be imposed on a vehicle capable of using E85 base fuel. Extends the tax credit for integrated coal gasification powerplants to coal gasification facilities as nonutility boilers or polygeneration. Makes other related changes.

**Effective Date:** January 1, 2005 (retroactive); January 1, 2006 (retroactive); March 1, 2006 (retroactive); July 1, 2006; January 1, 2007.

**Explanation of State Expenditures:** *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:**

**Information Sources:**

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